

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

March 10, 2017

PUBLIC SESSION

A monthly meeting of the Board of Directors (the “Board”) of the Small Business Loan Fund Corporation (the “Corporation”) was held in public session at the offices of the Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday March 10, 2017, scheduled for 1:30 p.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. John Pagliarini, Mr. Lee Mercer, Mr. Richard DeMerchant, and Ms. Antonietta Falconi.

The following Directors were absent: Mr. Raymond Fogarty

Also present were: Mr. William Ash, Corporation Administrator, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator, and Mr. Tom Moses, Esq. of Moses Afonso Ryan Ltd.

Mr. DeMerchant presided over the meeting.

1. Call to Order.

Mr. DeMerchant called the meeting to order at 1:30 p.m.

2. Approval of the Minutes of the Meeting held on December 22, 2016

The first item to come before the Board was the approval of the Minutes of the Board meeting held on December 22, 2016. A motion was duly made by Ms. Falconi and seconded by Mr. Mercer to approve the Public and Executive Session Minutes of the meeting noted above as presented.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Raymond Fogarty

3. Maintain the Executive Minutes of the December 22, 2016 meeting as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on December 22, 2016. Upon motion duly made by Mr. Mercer and seconded by Mr. Pagliarini, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Raymond Fogarty

4. Report of Cash Position as of February 28, 2017

Staff asked if there were any questions or comments regarding the Cash Report for the period ended February 28, 2017 (Exhibit A). Mr. Pagliarini asked that the board be provided with a list in June of number of loans that were closed through the fiscal year as compared to the prior fiscal year. There was no further discussion of the report.

5. Delinquency Loan Report as of March 3, 2017

Staff asked if there were any questions regarding the Loan Delinquency report dated March 3, 2017 (Exhibit B). Board members inquired regarding the status of the Doherty's Lakeside Alehouse, Medfx, JC Imports and Putnam Holdings collection efforts. It was suggested that loans be handed over to legal counsel for collection after 180 days without a payment. Staff noted they would add to this to the internal process for collections. There was no further discussion regarding this report.

6. Executive Session

Mr. DeMerchant suggested that the Board move into Executive Session to discuss the loan requests. Upon motion duly made by Mr. Pagliarini and seconded by Ms. Falconi, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(1), 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Raymond Fogarty

Public Session concluded and Executive Session began at 1:52 p.m.

7. Executive Session Vote Ratification

Mr. DeMerchant called for a ratification of the votes adopted during Executive Session. Upon a motion duly made by Mr. Mercer and seconded by Ms. Falconi, the following votes were ratified:

- (a) To approve the request from Providence Texture, LLC for a loan in the amount of \$500,000, subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Raymond Fogarty

- (b) To approve the request from Squadlocker, Inc. for a loan in the amount of \$500,000, subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Raymond Fogarty

- (c) To approve a substitution of collateral and Intercreditor Agreement relating to the \$350,000 existing loan to Colonial Mills.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Raymond Fogarty

- (a) To seal the Executive Session Minutes.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Raymond Fogarty

Adjournment

There being no further business to come before the Board, Mr. DeMerchant called for a vote to adjourn the meeting. Upon motion duly made by Mr. Mercer and seconded by Mr. Pagliarini, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. Lee Mercer, Mr. John Pagliarini, and Ms. Antonieta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Raymond Fogarty

The meeting was adjourned at 2:39 p.m.

Respectfully submitted,

/s/ Stacy Farrell

Stacy Farrell, Secretary